



September 2, 2004

Ms. Marlene H. Dortch  
Secretary  
Office of the Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

***Ex parte* Notice**

Re: Review of Regulatory Requirements for Incumbent LEC Broadband  
Telecommunications Services, CC Docket No. 01-337.

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Dear Ms. Dortch:

On September 1, 2004, the undersigned and Susan Gately, Senior Vice President of Economics and Technology, Inc. ("ETI"), on behalf of the Ad Hoc Telecommunications Users Committee, met with Commissioner Adelstein and Legal Advisor Barry J. Ohlson to discuss the white paper entitled *Competition in Access Markets: Reality or Illusion*, prepared by ETI and previously filed as an *ex parte* in the above referenced proceeding on August 26, 2004.

The parties discussed the contents of the white paper, focusing on the pricing trends, and astonishingly high rates of return earned by incumbent local exchange carriers ("ILECs"), for special access services and the paper's conclusion that markets for access services are not competitive. The parties also discussed two slides, attached hereto, which describe (i) the dramatic upward pricing trend for ten-mile DS-1s provided by Qwest; and (ii) the relatively small number of buildings in the City of San Francisco to which competitive local exchange carriers ("CLECs") can connect using their own facilities compared to buildings in San Francisco for which CLECs must rely on special access services obtained from incumbent local exchange carriers.



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Notice of *Ex Parte* Meeting, CC Docket No. 01-337

Pursuant to Section 1.1206(b) of the Commission's Rules, 47 C.F.R. § 1.1206(b), copies of this letter and attachments are being filed with the Office of the Secretary.

Sincerely,

A handwritten signature in black ink that reads 'Colleen Boothby'. The signature is written in a cursive, flowing style.

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Colleen Boothby

Counsel for  
Ad Hoc Telecommunications Users  
Committee

Attachments